

Meijer Automated Distribution

November 10, 2020

House Tax Policy Committee

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Meijer Overview

- Meijer is a Grand Rapids, MI based retailer that operates over 250 supercenters and grocery stores in 6 states across the Midwest (**119 supercenters in Michigan**).
 - Each Meijer supercenter employs 200-300 team members.
 - Each Meijer supercenter represents \$30 million worth of direct and indirect investment in local communities.
- Employs nearly 80,000 Team Members across footprint.
- Meijer employs nearly **40,000 Team Members in Michigan**.
- Meijer has been privately-owned and family-operated since 1934.
- Meijer donates more than 6% of its net profit to community organizations and charities each year.



Who pays Michigan's PPT?

SUBJECT TO PPT



meijer
Stores

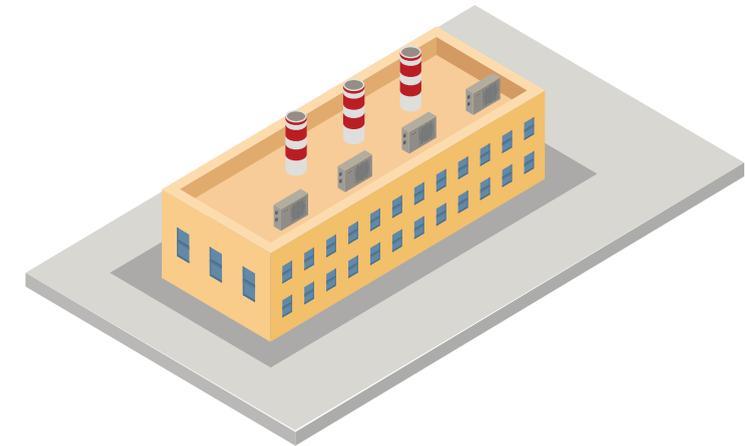


meijer
Manufacturing &
Distribution Centers



meijer
Corporate Offices

EXEMPT FROM PPT



**Eligible Industrial &
Manufacturing Personal
Property (EMPP)**

Local & Regional Economic Development Tools

- Industrial Facilities Exemption
 - Renaissance Zones
 - Aerotropolis

Meijer Distribution Timeline

1965 Grand Rapids, MI

1974 Lansing, MI

1989 Newport, MI

1993 Tipp City, OH

1997 Middlebury, IN

2014 Pleasant Prairie, WI

Grand Rapids, MI



Lansing, MI



Newport, MI



Tipp City, OH



Middlebury, IN



Pleasant Prairie, WI



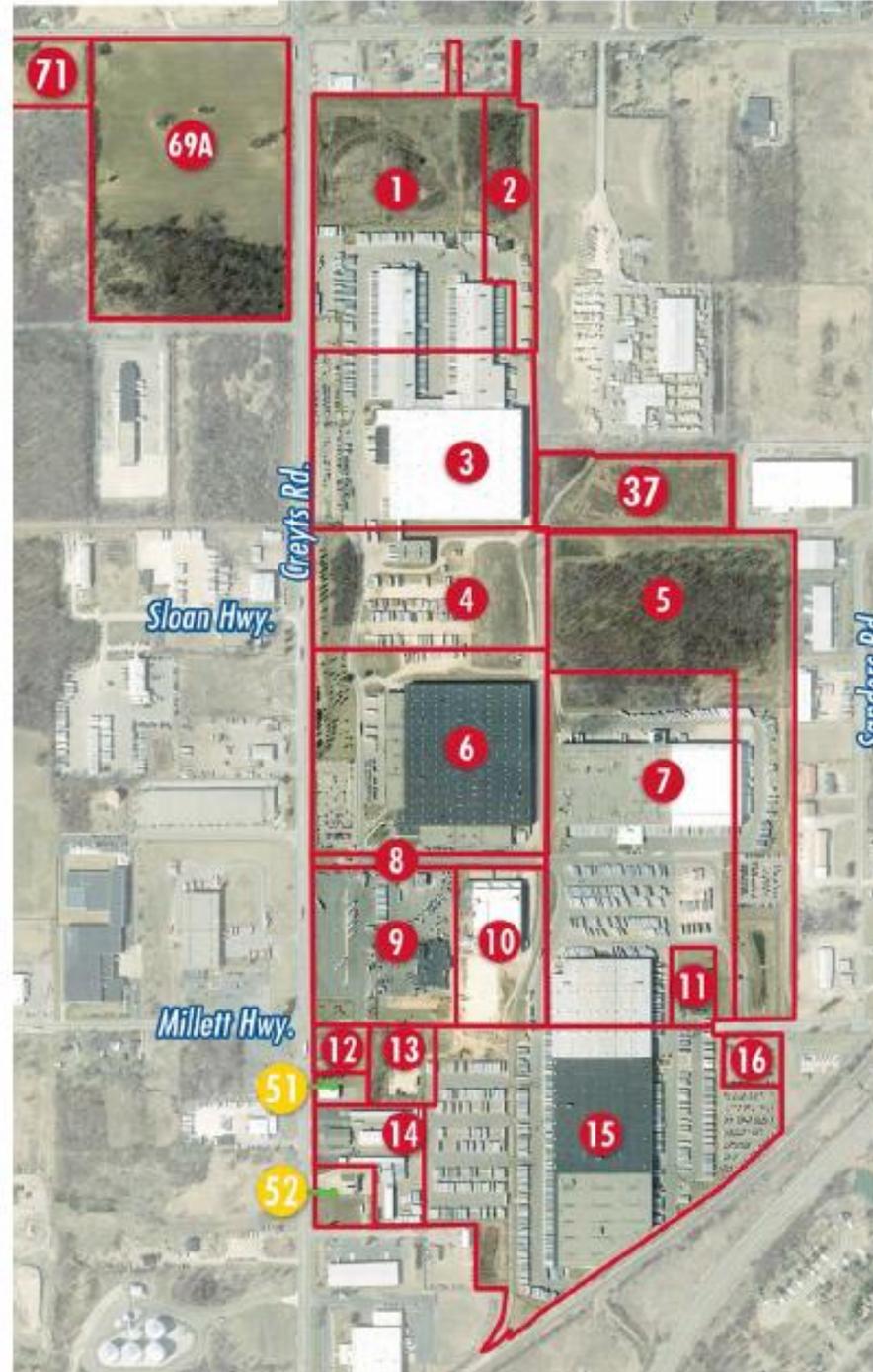
Meijer Fully Automated Grocery

Grocery Network



Pleasant Prairie, WI	Lansing, MI	Tipp City, OH	Newport, MI
<ul style="list-style-type: none">• Fully automated WITRON• 200K <u>sq ft</u>• Approximate cases per day: 90K-110K	<ul style="list-style-type: none">• Fully automated WITRON• 550K <u>sq ft</u>• Approximate cases per day: 230K-300K	<ul style="list-style-type: none">• Mechanized building today• Fully automated WITRON under construction• 375K <u>sq ft</u>• Approximate cases per day: 140K-200K	<ul style="list-style-type: none">• Mechanized building today• Automated WITRON under consideration

Lansing Distribution Site (346 Acres)



Lansing Automated Distribution

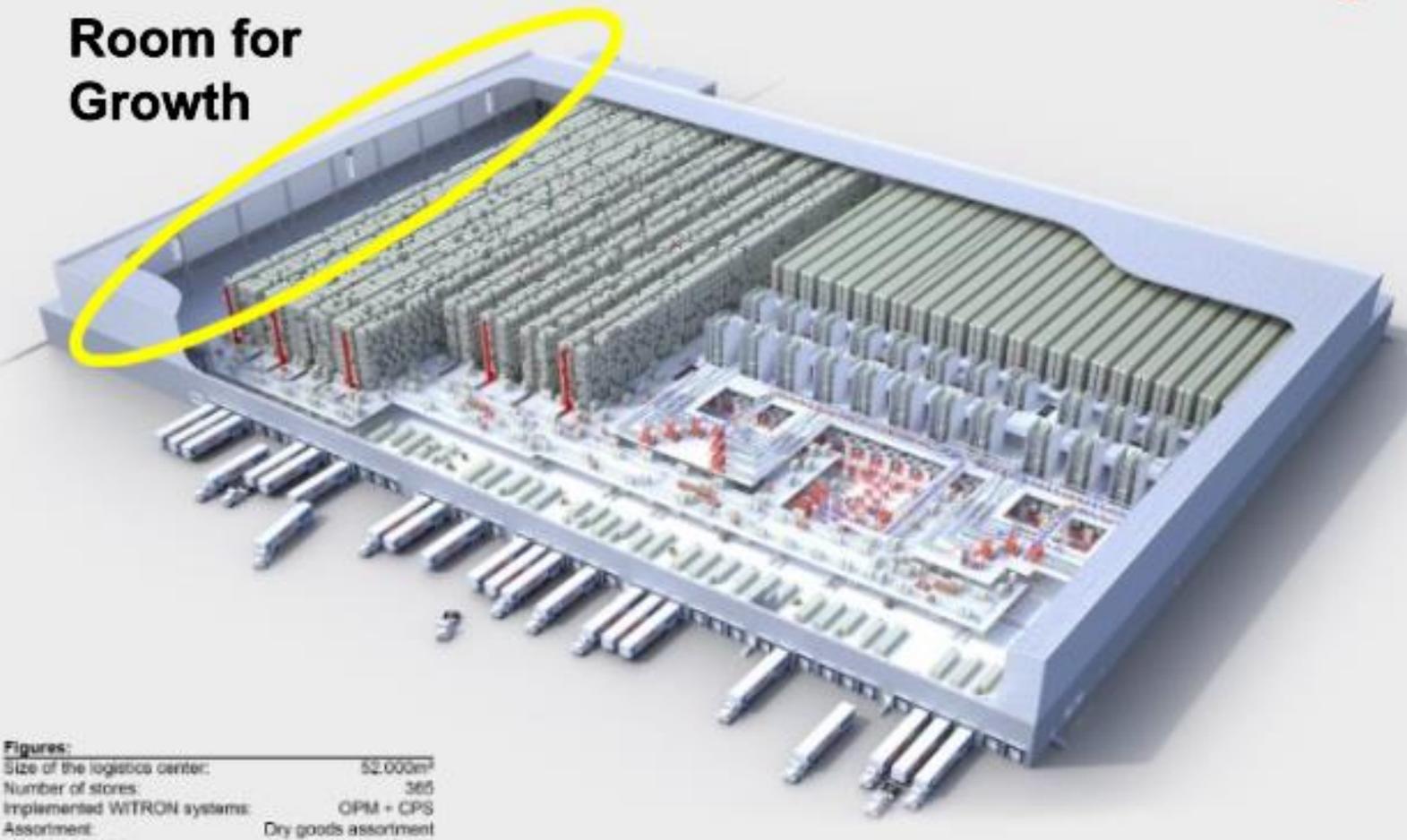
DC84 – WITRON (Opened 2017)

- Meijer's Lansing automated distribution center is the largest of its kind in the United States.
 - 50 acres
 - 553,000 sq ft
 - 84 ft tall
 - 84 dock doors
- Can store nearly 50,000 pallets worth of product at any given time within the automation.
- Receives over 1,000 truckloads of groceries a week, and ships roughly 800 truckloads of product to 82 Meijer stores.
- Moves an average of 240,000 cases of goods daily.
- **The automated system creates over 1,500 pallets of aisle-ready product along with thousands of pallets of other goods delivered daily to Meijer stores.**
- **Includes 23 assembly lines for manufacturing pallets for final delivery supported by**
 - 10 full load unit cranes
 - 46 mini-load cranes
 - 23 sequence buffers
 - 23 case order machines

Lansing Automated Distribution

WITRON Meijer DC 84, Lansing MI, USA **meijer**

Room for Growth



Figures:

Size of the logistics center:	52.000m ²
Number of stores:	365
Implemented WITRON systems:	OPM + CPS
Assortment:	Dry goods assortment
Number of SKUs:	15.000
Total picks per day (peak day):	367.000

Pallet high bay warehouse + CPS (Car Picking System):

Aisles:	10
Stacker cranes:	10
Pallet locations:	38.400
Flow channels CPS:	800

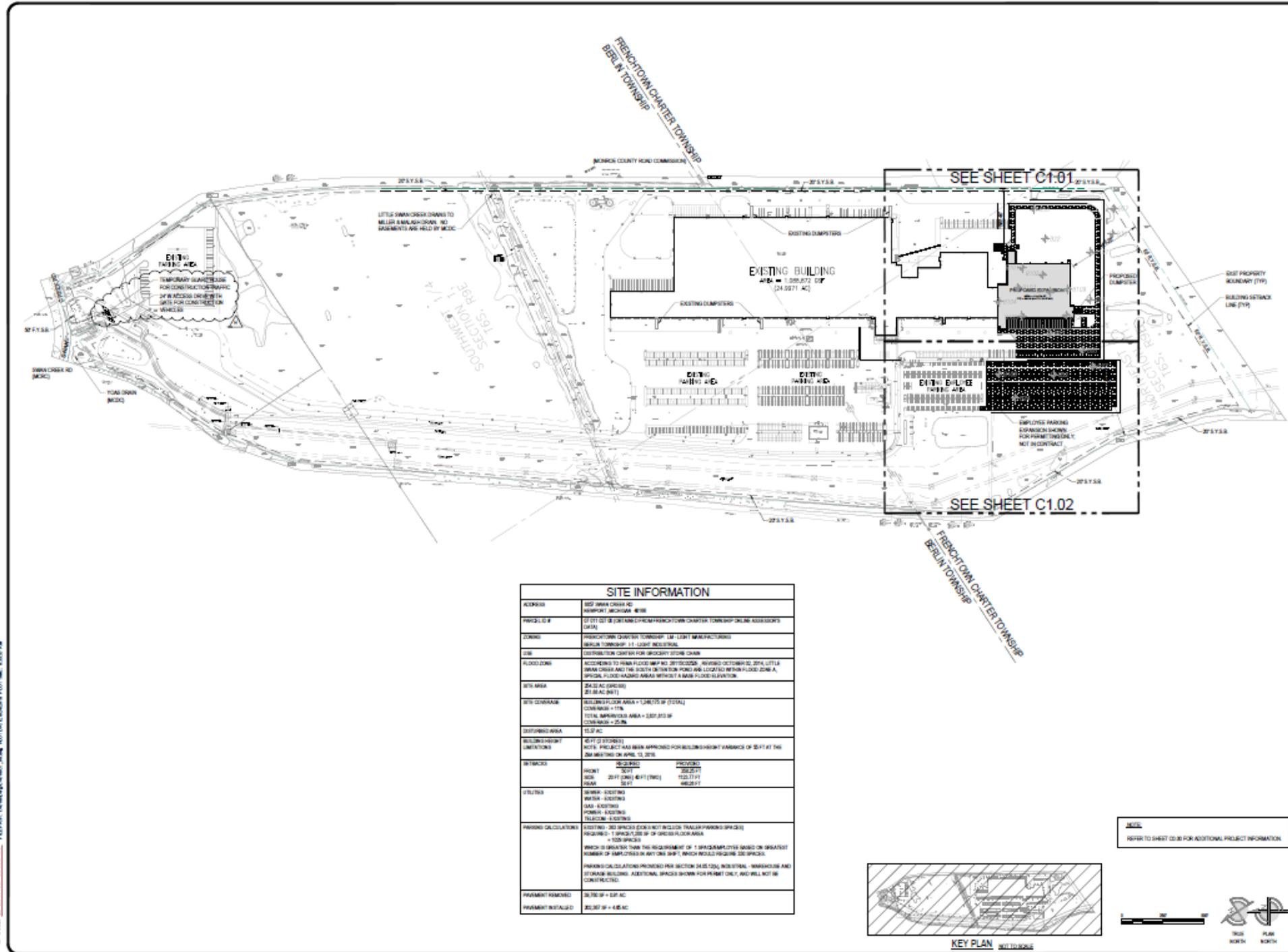
OPM (Order Picking Machinery):

Case Order Machines (COMs):	23
Aisles tray warehouse:	46
Stacker cranes tray warehouse:	46
Order sequencer (LFS):	46
Tray locations:	430.000
Trays in stock (85%):	605.000

Logistics design and realization by global partner **WITRON**

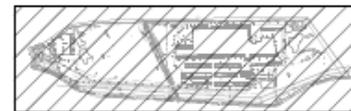
WITRON
Logistik - Storage Center
Mühlacker 18-21
51111 Patisheim-Garners
Phone: +49 2402 900-0
Fax: +49 2402 900-111
Email: info@witrn.com
Internet: www.witrn.com

Newport Distribution Site (225 Acres)



SITE INFORMATION																
ADDRESS	SEE SWAN CREEK RD, NEWPORT, MICHIGAN 48186															
PARCEL #	07 011 021 001 (SOUTH 1/4 SECTION 105, R1S, SECTION 105, T10S, R1E, 105, 105, 105)															
ZONING	FRENCHTOWN CHARTER TOWNSHIP (L) LIGHT MANUFACTURING															
USE	DISTRIBUTION CENTER FOR GROCERY STORE CHAIN															
FLOOD ZONE	ACCORDING TO FIRM FLOOD MAP NO. 28150C0202, REVISED OCTOBER 02, 2014, LITTLE BRANCH DRAIN AND THE SOUTH SECTION FLOOD ARE LOCATED WITHIN FLOOD ZONE A, SPECIAL FLOOD-HAZARD AREA WITHIN A BASE FLOOD ELEVATION.															
SITE AREA	24.92 AC (SPOCS) 24.92 AC (SPOCS)															
SITE COVERAGE	RECONSTRUCTION AREA = 1,000,072 SF (24,927 AC) COVERAGE = 100% TOTAL IMPROVED AREA = 2,000,144 SF COVERAGE = 20.0%															
EXISTING AREA	15.0 AC															
BUILDING HEIGHT LIMITATIONS	35 FT (3 STORIES) NOTE: PROJECT HAS BEEN APPROVED FOR BUILDING HEIGHT VARIANCE OF 35 FT AT THE 047 MEETING ON APRIL 10, 2018.															
ENTRANCES	<table border="1"> <thead> <tr> <th></th> <th>REQUIRED</th> <th>PROPOSED</th> </tr> </thead> <tbody> <tr> <td>FRONT</td> <td>0</td> <td>200</td> </tr> <tr> <td>SIDE</td> <td>200</td> <td>200</td> </tr> <tr> <td>REAR</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		REQUIRED	PROPOSED	FRONT	0	200	SIDE	200	200	REAR	0	0			
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PARKING CALCULATIONS	REQUIRED - SEE SPACES (DOES NOT INCLUDE TRAILER PARKING SPACES) REQUIRED - 1 SPACES PER 1,000 SF OF GROSS FLOOR AREA = 100 SPACES WHICH IS GREATER THAN THE REQUIREMENT OF 1 SPACES PER 1,000 SF OR GREATER NUMBER OF EMPLOYEES IN ANY ONE SHIFT, WHICH WOULD REQUIRE 200 SPACES. PARKING CALCULATIONS PROVIDED FOR SECTION 24.92 AC (SPOCS), INDUSTRIAL - WAREHOUSE AND STORAGE BUILDING. ADDITIONAL SPACES SHOWN FOR PERMIT ONLY, AND WILL NOT BE CONSTRUCTED.															
PERMITTING FINISHED	24.92 AC = 100%															
PERMITTING INSTALLED	24.92 AC = 100%															

NOTE:
REFER TO SHEET C1.01 FOR ADDITIONAL PROJECT INFORMATION.



HB 6284

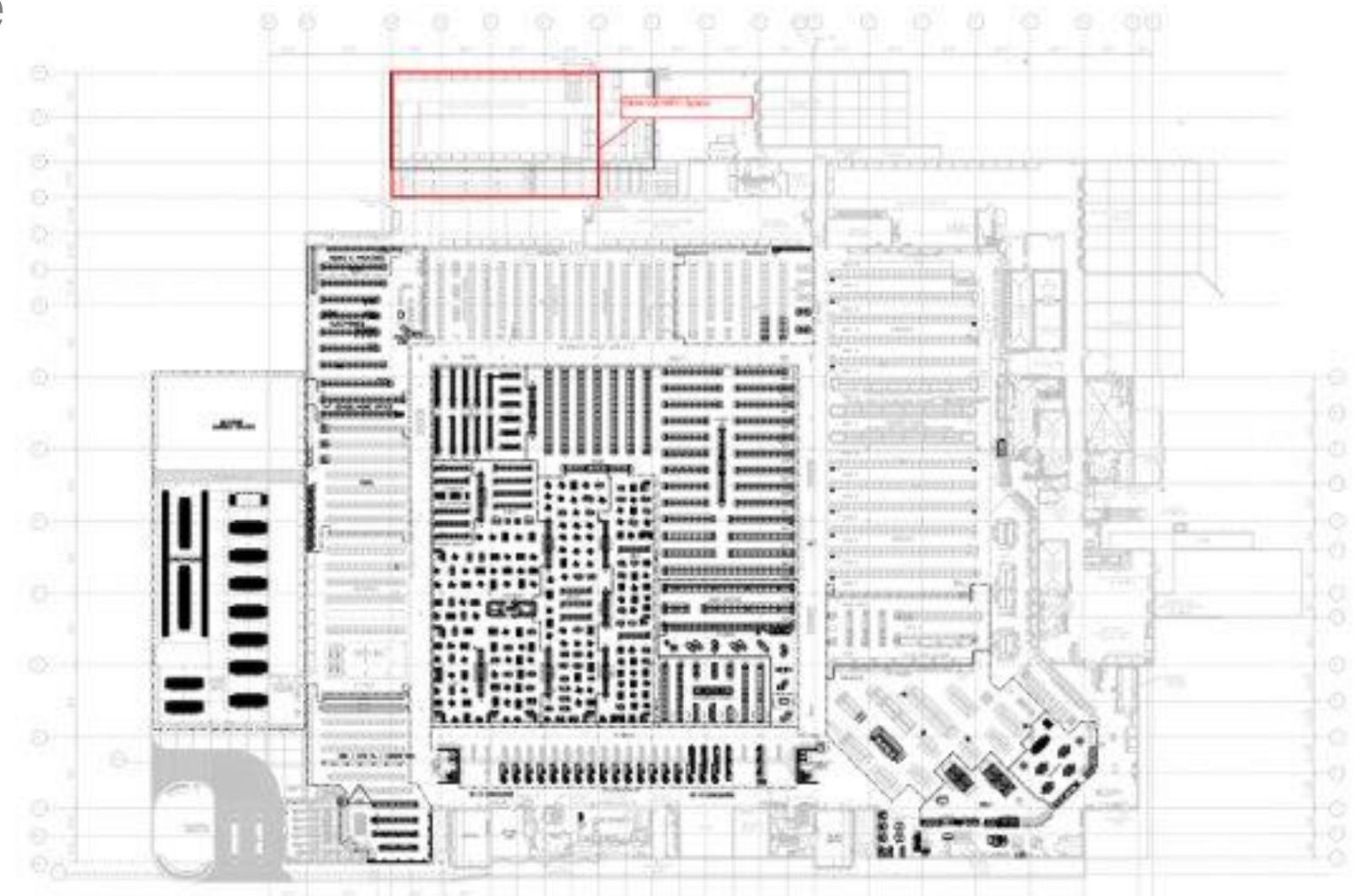
HB 6285

HB 6286

Meijer In-Store Fulfillment Centers

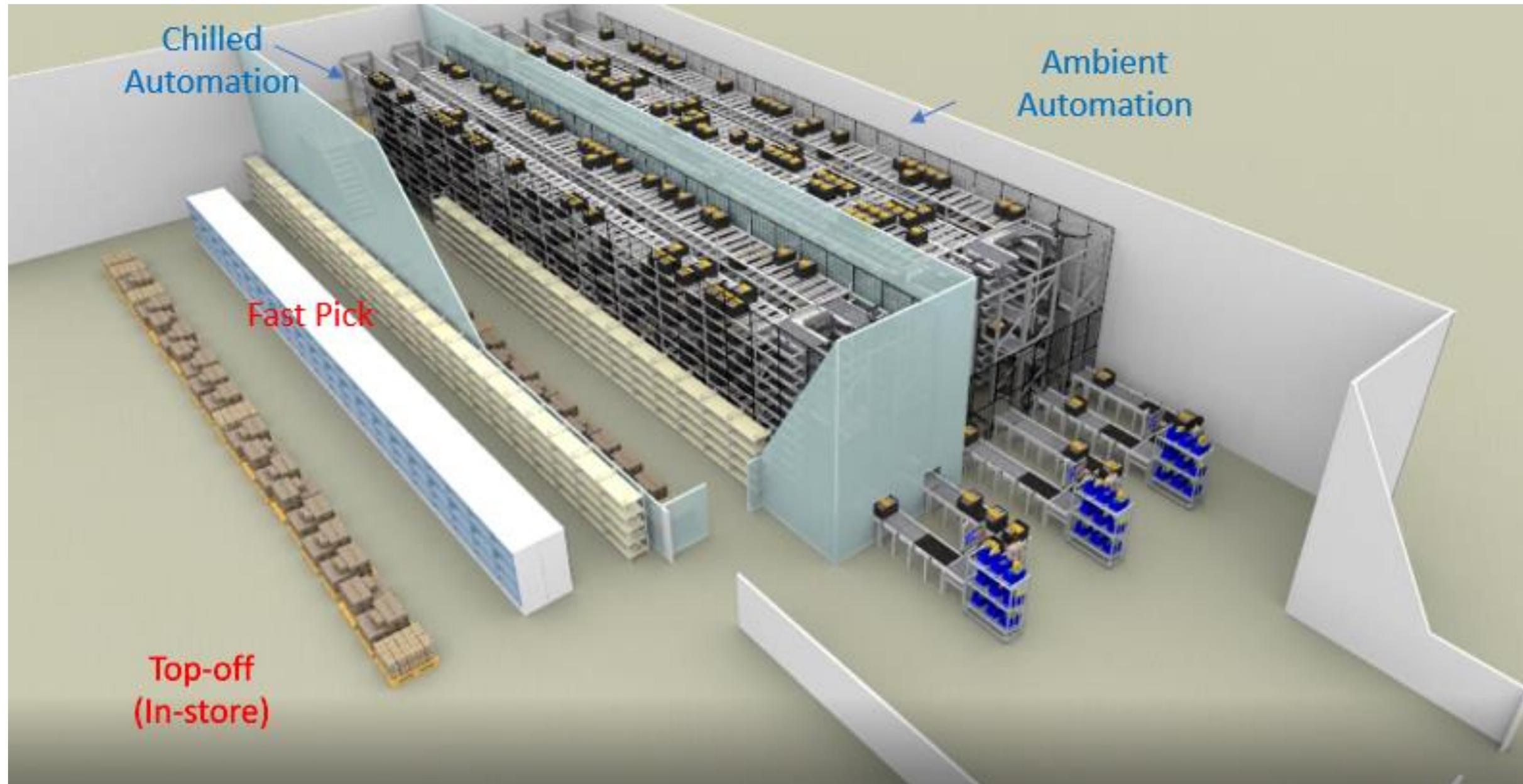
Meijer In-Store Fulfillment Centers

- Mini-warehouse in a store backroom providing efficient product picking in close proximity to the customer, and minimizing time and cost of the last mile.
- Consists of existing Meijer warehouse automation and technology (Dematic) enabling lower fulfillment costs of digital orders.
- Mix of automation and “Fast Pick” traditional warehousing based on product characteristics including fresh, and frozen products.
- Items not found in the automation will be “Topped Off” by shopping from the sales floor.
- Allows retailers to overcome cost challenges associated with fulfilling a growing digital market, and offers expanded availability for home delivery and curbside services.



Meijer In-Store Fulfillment Components

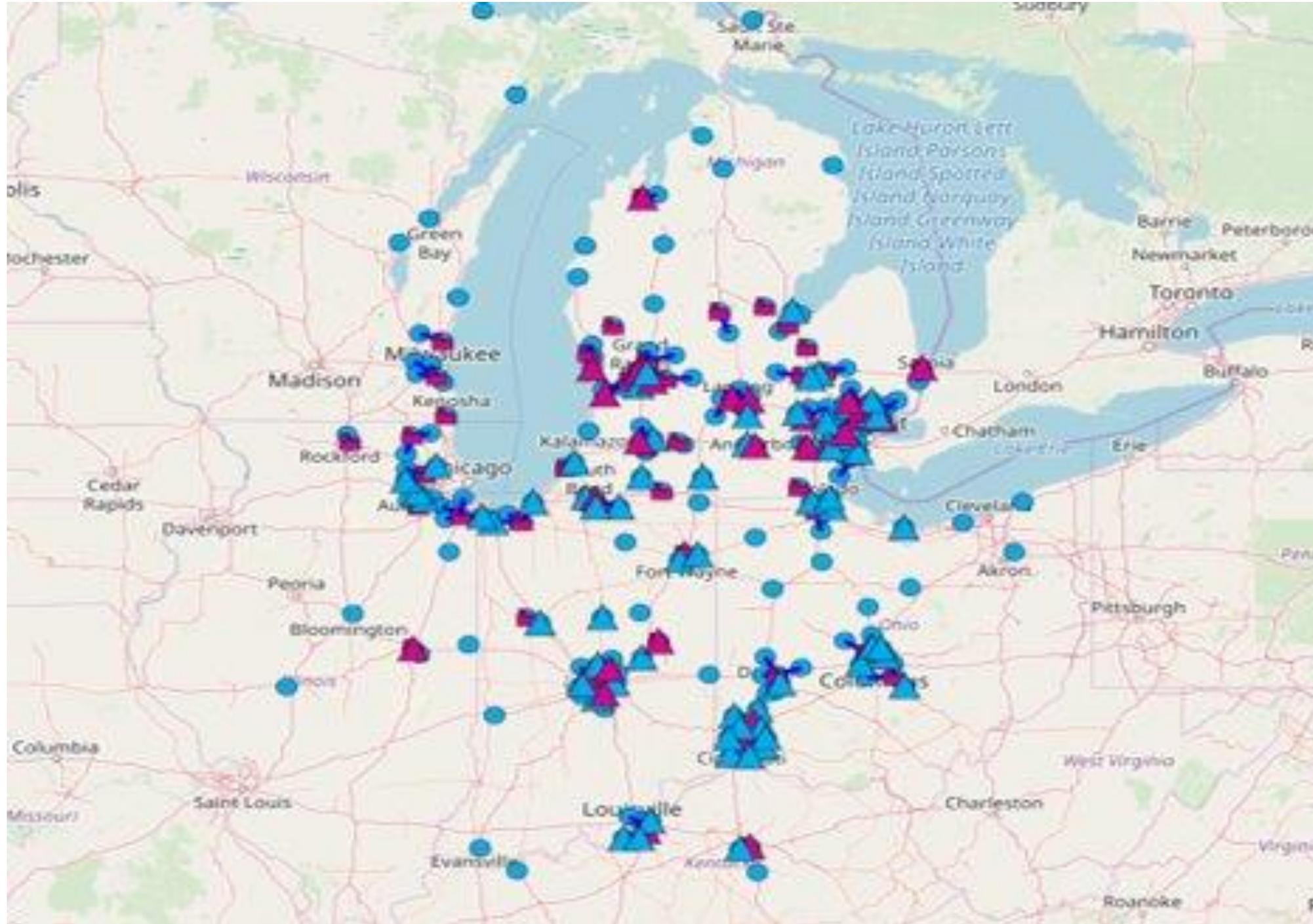
Store 470 – Alpine Ave., Grand Rapids



Meijer In-Store Fulfillment - Current Automation

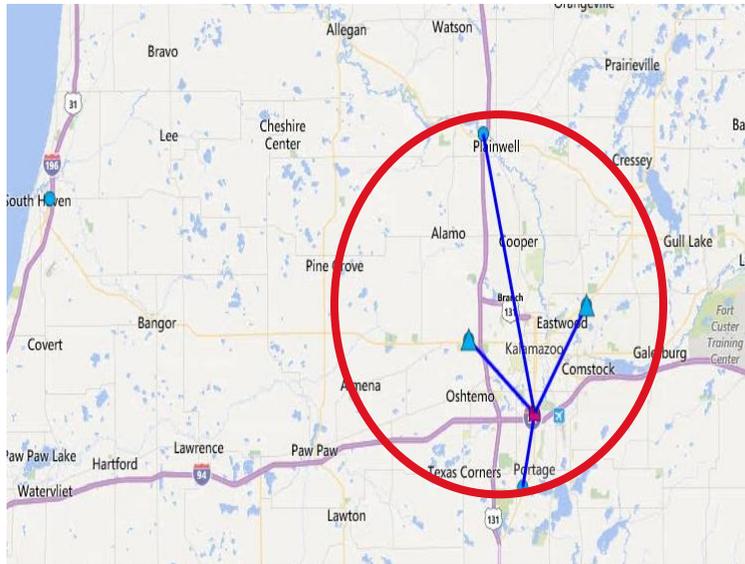


Meijer In-Store Fulfillment Opportunities



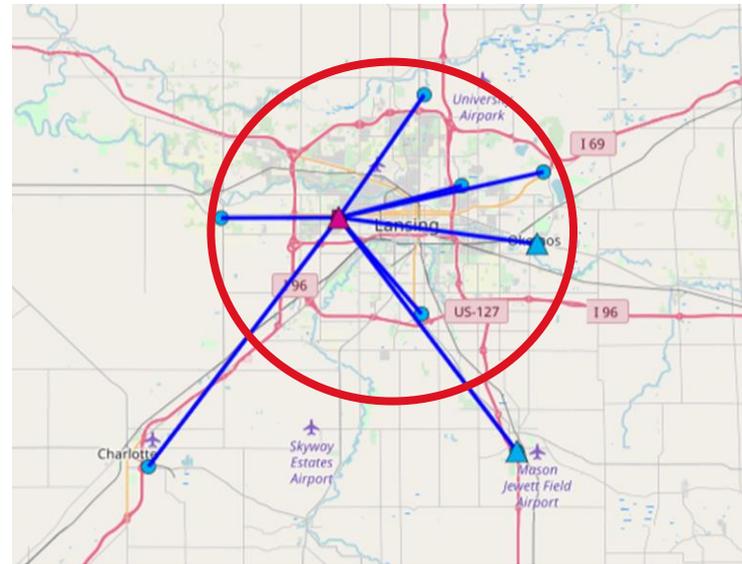
Potential Locations for Meijer In-Store Fulfillment

Store 22 Westnedge



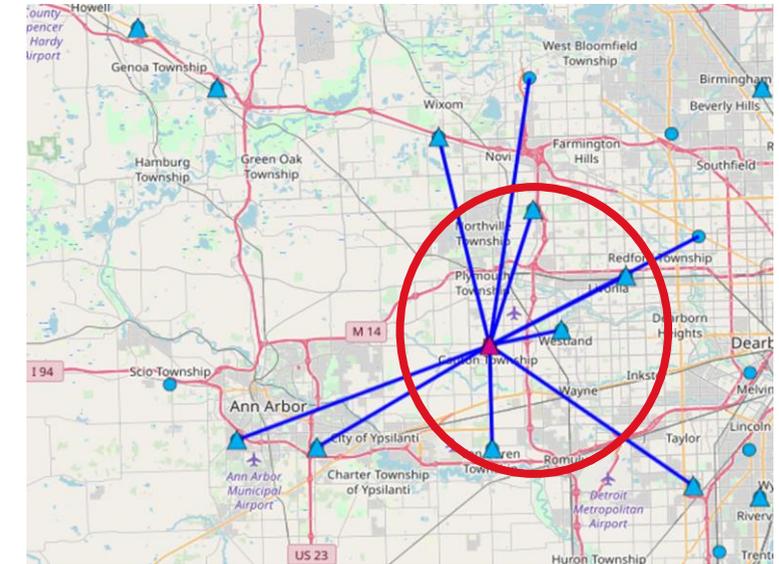
- 5 Stores Serviced
- 7,353 Weekly Transactions
- 10.28 Avg Miles
- 18.88 Max Miles

Store 23 Saginaw Hwy



- 7 Stores Serviced
- 7,451 Weekly Transactions
- 12.20 Avg Miles
- 14.51 Max Miles

Store 32 Canton



- 5 Stores Serviced
- 7,086 Weekly Transactions
- 8.92 Avg Miles
- 12.46 Max Miles

Total Demand Served – **21,890** Weekly Transactions across **17** Stores
Accounts for **12.7%** of Total Demand

Who pays Michigan's PPT?

SUBJECT TO PPT



meijer
Stores

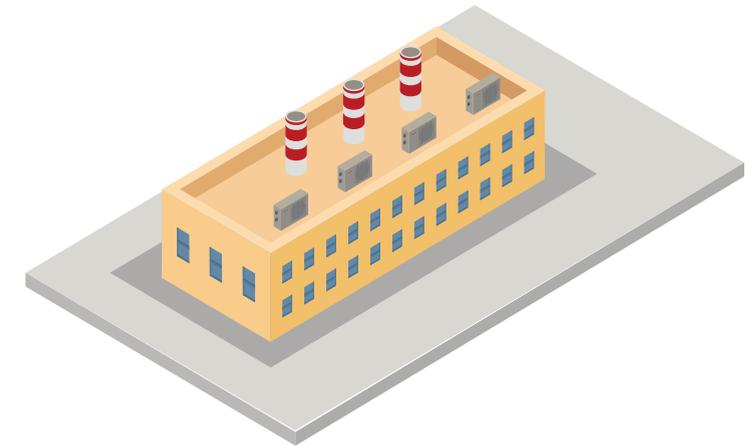


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Manufacturing &
Distribution Centers



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Corporate Offices

EXEMPT FROM PPT



**Eligible Industrial &
Manufacturing Personal
Property (EMPP)**



Industrial Facilities Exemption



Detroit Region Aerotropolis

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